

TOWN OF VINTON, LOUISIANA
ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORTS
YEAR ENDED SEPTEMBER 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 18 2012

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TOWN OF VINTON, LA

Management's Discussion and Analysis

Within this section of the Town of Vinton, LA's (Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2011. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$18,247,158 (net assets) for the fiscal year reported
- Total revenues of \$8,318,713 were in excess of total expenditures of \$6,210,656, which resulted in a current year surplus of \$2,108,057, compared to prior year surplus of \$1,518,703
- Total net assets are comprised of the following
 - (1) Capital assets, net of related debt, of \$12,189,078 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets
 - (2) Unassigned/unrestricted net assets of \$6,058,080 represent the portion available to maintain the Town's continuing obligations to citizens and creditors
- The Town's governmental funds reported total ending fund balance of \$3,962,094 this year. This compares to the prior year ending fund balance of \$2,758,907, reflecting an increase of \$1,203,187 during the current year, compared to an increase of \$485,903 in the prior year
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,744,711, or 89% of total General Fund expenditures and 61% of total General Fund revenues including transfers

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Town's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by sales tax and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government, public safety and streets. Business-type activities include the electric, water and sewer systems.

The government-wide financial statements are presented on pages 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

The basic governmental fund financial statements are presented on pages 20 through 23 of this report

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The one Town proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Town organization for electric, water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 24 through 26 of this report

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Town's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund and the major special revenue fund. These statements and schedules demonstrate compliance with the Town's adopted and final revised budget. Required supplemental information can be found on pages 41 through 42 of this report.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Town as a whole

The Town's net assets at fiscal year-end are \$18,247,158. The following table provides a summary of the Town's net assets

	Governmental Activities		Business-type Activities		Total		Percentage Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Assets								
Current assets and other assets	\$ 5,161,248	\$ 4,185,890	\$ 2,502,112	\$ 2,301,394	\$ 7,663,360	\$ 6,487,284	36%	34%
Capital assets	<u>8,836,901</u>	<u>8,023,387</u>	<u>4,471,968</u>	<u>4,694,317</u>	<u>13,308,869</u>	<u>12,717,704</u>	<u>64</u>	<u>68</u>
Total assets	<u>13,998,149</u>	<u>12,209,277</u>	<u>6,974,080</u>	<u>6,995,711</u>	<u>20,972,229</u>	<u>19,204,988</u>	<u>100%</u>	<u>100%</u>
Liabilities								
Current liabilities	1,313,685	1,539,679	404,634	407,068	1,718,319	1,946,747	63%	63%
Long-term liabilities	<u>1,006,752</u>	<u>1,119,140</u>	<u>-</u>	<u>-</u>	<u>1,006,752</u>	<u>1,119,140</u>	<u>37</u>	<u>37</u>
Total liabilities	<u>2,320,437</u>	<u>2,658,819</u>	<u>404,634</u>	<u>407,068</u>	<u>2,725,071</u>	<u>3,065,887</u>	<u>100%</u>	<u>100%</u>
Net assets								
Investment in capital assets, net of debt	7,717,110	6,793,123	4,471,968	4,694,317	12,189,078	11,487,440	66%	71%
Unassigned/unrestricted	<u>3,960,602</u>	<u>2,757,335</u>	<u>2,097,478</u>	<u>1,894,326</u>	<u>6,058,080</u>	<u>4,651,661</u>	<u>34</u>	<u>29</u>
Total net assets	<u>\$11,677,712</u>	<u>\$ 9,550,458</u>	<u>\$ 6,569,446</u>	<u>\$ 6,588,643</u>	<u>\$18,247,158</u>	<u>\$16,139,101</u>	<u>100%</u>	<u>100%</u>

The Town continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.9 to 1 for 2011 and 2.7 to 1 for 2010 and for business type activities is 6.2 to 1 for 2011 and 5.7 to 1 for 2010. For the Town overall, the current ratio is 4.5 to 1 for 2011 and 3.3 to 1 for 2010. These ratios are strong.

Note that approximately 66% (71% for 2010) of the governmental activities' net assets are tied up in capital. The Town uses these capital assets to provide services to its citizens. However, with business type activities, the Town has spent approximately 68% (71% for 2010) of its net assets on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. Overall, 66% (71% for 2010) of the Town's total net assets are included in capital assets.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

GOVERNMENTAL REVENUES

The Town is heavily reliant on sales taxes to support governmental operations. Sales taxes provided 10% (11% for 2010) of the Town's total revenues. Sales taxes equal 20% (23% for 2010) of the revenues for governmental activities. Also note that program revenues, excluding grants, cover only 34% (31% for 2010) of governmental operating expenses. This means that the government's taxpayers and the Town's other general revenues fund 66% (69% for 2010) of the governmental activities. As a result, the general economy and the local businesses have a major impact on the Town's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Police services comprise 13% (13% for 2010) of the Town's total expenses and 36% (34% for 2010) of the total governmental expenses. The total public safety makes up 45% (42% for 2010) of the total governmental expenses.

This table presents the cost of each of the Town's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Town's taxpayers by each of these functions.

Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General government	\$ 665,493	\$ 693,662	\$ (545,493)	\$ (597,962)
Public safety				
Police	836,021	859,825	(53,405)	(62,677)
Fire	202,706	218,049	(202,706)	(218,049)
Streets	549,607	694,985	(549,607)	(694,985)
Interest on long-term debt	37,447	38,930	(37,447)	(38,930)
Hurricane, net	-	39,105	-	(39,105)
Total	<u>\$ 2,291,274</u>	<u>\$ 2,544,856</u>	<u>\$ (1,388,658)</u>	<u>\$ (1,651,708)</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the utility funds were 4% less than 2010 and operating expenses were 1% more than 2010. Within the total business type activities of the Town, these activities reported a \$234,121 operating surplus compared to an operating surplus of \$432,449 for the prior year.

However, after contributed capital and transfers in and out, the fund reported a loss of \$19,197, compared to income of \$153,553 for the prior year.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,962,094 (\$2,758,907 for 2010), all of which is unreserved indicating availability for continuing Town service requirements.

The total ending fund balances of governmental funds show an increase of \$1,203,187, compared to an increase of \$485,903 for the prior year.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$897,559. In fiscal year 2010, the fund balance increased by \$295,266. However, the reader needs to remember that the Town controls these differences by the amount of resources it transfers in from the Sales Tax Fund.

The revenues show an increase of \$279,569 or 13% over the prior year, mainly due to net hurricane revenue. The expenditures side show a decrease of \$435,517 or 18% over the prior year, mainly due to a decrease in capital outlay expenses. Finally, transfers in from the sales tax fund were \$97,256 less than the prior year.

The general fund's ending fund balance is considered adequate, representing the equivalent of 89% of annual current expenditures.

The sales tax fund continues to accumulate strong fund balances, however, revenues in September 30, 2011 were 1% more than 2010 and 1% less than 2009, which is a direct reflection of the current national and local economy.

THE PROPRIETARY FUND

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term information about financial status.

BUDGETARY HIGHLIGHTS

The General Fund - The actual revenues were in excess of the final budget by \$711,272 mainly due to hurricane revenues and the actual expenditures were less than the final budget by \$236,756.

The Sales Tax Fund - The actual sales taxes for the sales tax fund were in excess of the final budget by \$564,417 mainly due to grants and the actual expenditures were more than the final budget by \$574,101 mainly due to capital outlay.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2011, was \$8,836,901 and \$4,471,968 respectively. The overall increase was 3% for the Town as a whole. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable asset						
Land	\$ 195,598	\$ 195,598	\$ 328,950	\$ 328,950	\$ 524,548	\$ 524,548
Construction in progress	<u>454,439</u>	<u>824,817</u>	<u>-</u>	<u>-</u>	<u>454,439</u>	<u>824,817</u>
Total non-depreciable	650,037	1,020,415	328,950	328,950	978,987	1,349,365
Depreciable assets						
Buildings	2,143,429	2,143,429	7,866,171	7,866,171	10,009,600	10,009,600
Furniture & equipment	1,253,457	1,209,893	177,747	177,747	1,431,204	1,387,640
Transportation equipment	849,684	918,860	657,721	657,721	1,507,405	1,576,581
Infrastructure	<u>7,360,848</u>	<u>5,833,926</u>	<u>-</u>	<u>-</u>	<u>7,360,848</u>	<u>5,833,926</u>
Total depreciable assets	11,607,418	10,106,108	8,701,639	8,701,639	20,309,057	18,807,747
Less accumulated depreciation	<u>3,420,554</u>	<u>3,103,136</u>	<u>4,558,621</u>	<u>4,336,272</u>	<u>7,979,175</u>	<u>7,439,408</u>
Book value-depreciable assets	<u>\$ 8,186,864</u>	<u>\$ 7,002,972</u>	<u>\$ 4,143,018</u>	<u>\$ 4,365,367</u>	<u>\$ 12,329,882</u>	<u>\$ 11,368,339</u>
Percentage depreciated	<u>29%</u>	<u>31%</u>	<u>52%</u>	<u>50%</u>	<u>39%</u>	<u>40%</u>
Book value-all assets	<u>\$ 8,836,901</u>	<u>\$ 8,023,387</u>	<u>\$ 4,471,968</u>	<u>\$ 4,694,317</u>	<u>\$ 13,308,869</u>	<u>\$ 11,368,339</u>

At September 30, 2011, the depreciable capital assets for governmental activities were 29% depreciated compared to 31% at September 30, 2010. This comparison indicates that the Town is replacing its assets at as steady a rate as they are depreciating which is a positive indicator.

The major additions are construction in progress projects.

With the Town's business type activities, 52% of the asset values were depreciated at September 30, 2011 compared to 50% at September 30, 2010.

Long-term debt

At the end of the fiscal year, the Town had total bonded debt outstanding of \$1,119,791. All of this amount is backed by the full faith and credit of the Town (general obligation bonds) with debt service funded by sales taxes.

During the year, the Town retired \$110,473 of the outstanding debt balance. See Note E for additional information regarding long-term debt.

TOWN OF VINTON, LA

Management's Discussion and Analysis (Continued)

ECONOMIC CONDITIONS AFFECTING THE TOWN

Since the primary revenue stream for the Town is electric charges and sales taxes, the Town's electric charges and sales tax revenues are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy. For 2011, sales taxes decreased by 1% from the prior two years.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Town's Clerk, Mary Vice, 1200 Hornidge Street, Vinton, LA 70668.



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INDEPENDENT AUDITORS' REPORT

March 13, 2012

To the Honorable Kenneth Stinson, Mayor and the Town Council
Town of Vinton, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of and for the year ended September 30, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the Town of Vinton, Louisiana's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of September 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2012 on our consideration of the Town of Vinton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 41 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Kenneth Stinson, Mayor and the Town Council
Town of Vinton, Louisiana
March 13, 2012
Page Two

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tragon Casiday & Guillory

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

TOWN OF VINTON, LA
STATEMENT OF NET ASSETS
September 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash	\$ 4,479,509	\$ 1,788,568	\$ 6,268,077	\$ 7,607,858
Investments	152,746	172,154	324,900	-
Receivables	528,993	541,390	1,070,383	259,486
Prepaid expense	-	-	-	21,985
Bond costs, net	-	-	-	693,501
Capital assets				
Land	195,598	-	195,598	-
Capital assets, net	8,641,303	4,471,968	13,113,271	13,877,745
Total assets	<u>13,998,149</u>	<u>6,974,080</u>	<u>20,972,229</u>	<u>22,260,575</u>
LIABILITIES				
Accounts and other accrued payables	1,199,154	273,431	1,472,585	121,999
Customer meter deposits	-	131,203	131,203	-
Interest payable	1,492	-	1,492	315,281
Deferred revenue	-	-	-	-
Long-term liabilities				
Due within one year	113,039	-	113,039	845,000
Due after one year	1,006,752	-	1,006,752	12,420,000
Total liabilities	<u>2,320,437</u>	<u>404,634</u>	<u>2,725,071</u>	<u>13,702,280</u>
NET ASSETS				
Invested in capital assets, net of related debt	7,717,110	4,471,968	12,189,078	3,451,246
Restricted for				
Debt service	-	-	-	3,211,930
Unassigned/unrestricted	3,960,602	2,097,478	6,058,080	1,895,119
Total net assets	<u>\$ 11,677,712</u>	<u>\$ 6,569,446</u>	<u>\$ 18,247,158</u>	<u>\$ 8,558,295</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2011

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			Component Units
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Primary Government Business-Type Activities		Total	
		Governmental Activities	Business-Type Activities				
Governmental activities							
General and administrative	\$ 665,493	\$ -	\$ 120,000	\$ (545,493)	\$ -	\$ (545,493)	\$ -
Streets and alley	549,607	-	-	(549,607)	-	(549,607)	-
Fire	202,706	-	-	(202,706)	-	(202,706)	-
Police	836,021	782,616	-	(53,405)	-	(53,405)	-
Interest on long-term debt	37,447	-	-	(37,447)	-	(37,447)	-
Total Governmental Activities	2,291,274	782,616	120,000	(1,388,658)	-	(1,388,658)	-
Business-type activities							
Electric, water and sewer	3,919,382	4,153,503	-	-	234,121	234,121	-
Total primary government	\$ 6,210,656	\$ 4,936,119	\$ 120,000	(1,388,658)	234,121	(1,154,537)	-
Component Units							
Vinton Public Power Authority	\$ 2,735,575	\$ 2,658,574	\$ -	-	-	-	(77,001)
General Revenues							
Taxes -							
Property taxes, levied for general purposes				49,309		49,309	-
Sales and use taxes, levied for general purposes				825,255		825,255	-
Franchise taxes				37,093		37,093	-
Licenses and permits				133,750		133,750	-
Grants and contributions not restricted to specific programs-							
Federal and State sources				1,601,344		1,601,344	32,031
Hurricane, net				416,228		416,228	-
Interest and investment earnings				11,119	7,430	18,549	51,134
Miscellaneous				179,066		179,066	1,041,990
Transfers				260,748	(260,748)	-	-
Total general revenues				3,515,912	(253,318)	3,262,594	1,125,155
Change in net assets				2,127,254	(19,197)	2,108,057	1,048,154
Net assets - Beginning				9,550,458	6,588,643	16,139,101	7,510,141
Net assets - Ending				\$ 11,677,712	\$ 6,569,446	\$ 18,247,158	\$ 8,558,295

The accompanying notes are an integral part of the basic financial statements

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund

Special Revenue Fund

The special revenue fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund accounts for the receipt and use of proceeds of the Town's 2 1/2 % sales and use tax

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds)

Proprietary Funds

Utility Fund #1

To account for the provision of electricity services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection

Utility Fund #2

To account for the provision of water and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection

TOWN OF VINTON, LA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2011

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 2,538,774	\$ 978,135	\$ 962,600	\$ 4,479,509
Investments	115,929	36,817	-	152,746
Receivables				-
Accounts	29,227	-	-	29,227
Intergovernmental	27,023	50,767	321,131	398,921
Accrued interest	15	-	-	15
Due from other funds	-	100,830	-	100,830
TOTAL ASSETS	<u><u>\$ 2,710,968</u></u>	<u><u>\$ 1,166,549</u></u>	<u><u>\$ 1,283,731</u></u>	<u><u>\$ 5,161,248</u></u>
LIABILITIES				
Accounts payable	\$ 770,354	\$ 50,767	\$ 182,130	\$ 1,003,251
Accrued vacation payable	16,564	-	-	16,564
Due to other funds	179,339	-	-	179,339
TOTAL LIABILITIES	<u><u>966,257</u></u>	<u><u>50,767</u></u>	<u><u>182,130</u></u>	<u><u>1,199,154</u></u>
FUND BALANCES				
Unassigned	<u>1,744,711</u>	<u>1,115,782</u>	<u>1,101,601</u>	<u>3,962,094</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,710,968</u></u>	<u><u>\$ 1,166,549</u></u>	<u><u>\$ 1,283,731</u></u>	<u><u>\$ 5,161,248</u></u>

The accompanying notes are an integral part of the basic financial statements

**TOWN OF VINTON, LA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2011**

Total fund balance for governmental fund at September 30, 2011		\$ 3,962,094
Total net assets reported for governmental activities in the statement of net assets is different because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of		
Land	\$ 195,598	
Capital assets, net of \$3,420,554 accumulated depreciation	<u>8,641,303</u>	8,836,901
Long-term liabilities at September 30, 2011		
Bonds payable	(1,119,791)	
Accrued interest payable	<u>(1,492)</u>	<u>(1,121,283)</u>
Total net assets of governmental activities at September 30, 2011		<u>\$ 11,677,712</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2011

	General	Special Revenue	Capital Projects	Total
REVENUES				
Taxes	\$ 113,104	\$ 798,553	\$ -	\$ 911,657
Licenses and permits	133,750	-	-	133,750
Intergovernmental	687,881	575,961	457,502	1,721,344
Hurricane, net	418,228	-	-	418,228
Fines	782,616	-	-	782,616
Interest	6,477	4,403	239	11,119
Video poker	139,468	-	-	139,468
Miscellaneous	39,598	-	-	39,598
TOTAL REVENUES	2,321,122	1,378,917	457,741	4,157,780
EXPENDITURES				
Current				
General and administrative	577,906	18,391	-	596,297
Police	771,441	-	-	771,441
Fire	130,337	-	-	130,337
Streets and alley	330,276	-	-	330,276
Capital Outlay	67,707	577,210	594,073	1,238,990
Debt Service				
Principal	75,000	35,473	-	110,473
Interest	-	37,527	-	37,527
TOTAL EXPENDITURES	1,952,667	668,601	594,073	3,215,341
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	368,455	710,316	(136,332)	942,439
OTHER FINANCING SOURCES (USES)				
Operating transfers in	529,104	-	195,509	724,613
Operating transfers out	-	(463,865)	-	(463,865)
TOTAL OTHER FINANCING SOURCES (USES)	529,104	(463,865)	195,509	260,748
NET CHANGES IN FUND BALANCE	897,559	246,451	59,177	1,203,187
FUND BALANCE - BEGINNING	847,152	869,331	1,042,424	2,758,907
FUND BALANCE - ENDING	\$ 1,744,711	\$ 1,115,782	\$ 1,101,601	\$ 3,962,094

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended September 30, 2011

Total net changes in fund balance at September 30, 2011 per
 Statement of Revenues, Expenditures and Changes in Fund Balance \$ 1,203,187

The change in net assets reported for governmental activities in the
 statement of activities different because

Governmental funds report capital outlays as expenditures. However,
 in the statement of activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,225,285	
Depreciation expense for the year ended September 30, 2011	<u>(411,771)</u>	813,514

Governmental funds report bonded debt repayments as expenditures.
 However, this expenditure does not appear in the statement of activities
 since the payment is applied against the bond payable on the statement
 of net assets

110,473

Governmental funds report debt proceeds as revenues. However, this
 revenue does not appear in the statement of activities since the debt
 is reported on the statement of net assets

-

Difference between interest on long-term debt on modified accrual
 basis versus interest on long-term debt on accrual basis

80

Total changes in net assets at September 30, 2011 per Statement of Activities \$ 2,127,254

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
STATEMENT OF NET ASSETS - PROPRIETARY FUND
September 30, 2011

ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,788,568
Investments	172,154
Receivables, accounts	462,881
Due from other funds	78,509
Total current assets	<u>2,502,112</u>
Fixed assets, net of accumulated depreciation	4,471,968
Total assets	<u><u>\$ 6,974,080</u></u>
 LIABILITIES	
Current liabilities	
Accounts payable	\$ 256,982
Accrued vacation payable	16,449
Customer meter deposits	131,203
Total current liabilities	<u>404,634</u>
 NET ASSETS	
Invested in capital assets	4,471,968
Unassigned/unrestricted	2,097,478
Total net assets	<u><u>6,569,446</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 6,974,080</u></u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - PROPRIETARY FUND
Year Ended September 30, 2011

OPERATING REVENUES	
Electricity sales	\$ 3,091,025
Water sales	369,278
Sewer service charges	348,648
Vinton Public Power Authority Rebate	126,891
Miscellaneous	217,661
Total Operating Revenues	4,153,503
 OPERATING EXPENSES	
Electricity department	3,223,511
Water department	256,986
Sewer department	216,536
Depreciation	222,349
Total Operating Expenses	3,919,382
OPERATING INCOME (LOSS)	234,121
 NON-OPERATING REVENUES (EXPENSES)	
Interest income	7,430
INCOME (LOSS) BEFORE OPERATING TRANSFERS	241,551
Operating transfers in	22,972
Operating transfers out	(283,720)
CHANGE IN NET ASSETS	(19,197)
NET ASSETS, BEGINNING	6,588,643
NET ASSETS, ENDING	\$ 6,569,446

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
Year Ended September 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 4,073,268
Payments to suppliers	(3,331,617)
Payments to employees	(367,850)
Net cash from operating activities	<u>373,801</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(29,491)
Interest earnings	7,430
Net cash from investment activities	<u>(22,061)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Operating transfers in	22,972
Operating transfers out	(283,720)
Net cash from non-capital financing activities	<u>(260,748)</u>
NET INCREASE (DECREASE) IN CASH	90,992
CASH - BEGINNING	<u>1,697,576</u>
CASH - ENDING	<u><u>\$ 1,788,568</u></u>
Reconciliation of operating income (loss) to net cash from operating activities	
Operating income (loss)	\$ 234,121
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	222,349
(Increase) decrease in receivables	(80,235)
Increase (decrease) in accounts payable and accrued expenses	(2,434)
Net cash from operating activities	<u>\$ 373,801</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Vinton, LA was incorporated in October, 1910, under the provisions of the Lawrason Act. The purpose of the municipality is to provide services to its citizens, which include sewer, water and electricity, police protection and other services. The municipality has a board of five elected council members who are compensated. The municipality is located in Calcasieu Parish, Louisiana and its population is approximately 3,000.

1 Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Vinton, LA is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town of Vinton, LA for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- 1 Appointing a voting majority of an organization's governing body, and
 - a The ability of the municipality to impose its will on that organization and/or
 - b The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality
- 2 Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality
- 3 Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Based on these criteria, the Town has determined that the following component units are part of the reporting entity:

Vinton Public Power Authority
Industrial Development Board of the Town of Vinton, LA, Inc

The Town's council is also responsible for appointing the members of the board of the Housing Authority of Vinton, Louisiana. This agency is considered to be a related organization since the municipality appoints the separate governing board but is not financially accountable for the organization.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Discretely Presented Component Units

Financial data of component units is displayed in the Component Unit column of the combined statements. The reported component units are as follows:

Vinton Public Power Authority (VPPA)

This entry is created by state statutes, which provide for its governance by the municipality creating it. Although legally separate, Vinton Public Power Authority is fiscally dependent upon the Town because of the joint power supply arrangement. The relationship between the Town and Vinton Public Power Authority is such that exclusion would cause the Town's financial statements to be incomplete. Financial data reported for the Vinton Public Power Authority component unit is from its separately audited financial statements for the fiscal year ended September 30, 2011.

Industrial Development Board of the Town of Vinton, Inc. (IDB)

The IDB was incorporated on December 19, 2002 and is a nonprofit organization recognized as a 501(c)(3) organization. Although legally separate, IDB's resources are entirely for the direct benefit of the Town. The IDB is managed by a board of five individuals that are appointed by the Mayor and approved by the Town's council. The relationship between the Town and the IDB is such that exclusion would cause the Town's financial statements to be incomplete. Financial data reported for this component unit is from its separate financial statements for the year ended September 30, 2011, however, IDB had no activity within the current year.

2 Basis of Presentation

The accompanying basic financial statements of the Town of Vinton, LA have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Town's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Town, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Town uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Town functions and activities. A fund is defined as a separate fiscal and

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

accounting entity with a self-balancing set of accounts The various funds of the Town are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Town or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type, and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Town reports the following major funds:

The General Fund is the primary operating fund of the Town. It accounts for all financial resources except those that are required to be accounted for in other funds.

The Special Revenue Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. This fund accounts for the receipt and use of proceeds of the Town's 2 ½% sales and use tax.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by the Enterprise Fund.

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund accounts for electricity, water and sewer services.

3 Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

- a All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The Town applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

4 Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, debt service and enterprise funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the Town Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The Town Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

5 Deposits and Investments

Deposits

Deposits include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, U.S. Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or

TOWN OF VINTON, LA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

any other federally insured investment in addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc (LAMP), a non profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which generates a local government investment pool

These deposits are stated at cost, which approximates market Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties At September 30, 2011, the Town has \$5,083,089 in deposits (collected bank balances) These deposits are secured from risk by \$709,616 of federal deposit insurance and \$4,353,473 of pledged securities held by the custodial bank in the name of the fiscal agent bank

Investments

The Town's investments are categorized above in accordance with GASB Statement No 3 to give an indication of the level of risk assumed at year end The Town's investment program is limited to purchases of securities issued or guaranteed by the U S government and its agencies

Carrying amounts at September 30, 2011 were as follows

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Cost</u>
U S Treasury and agency obligations held by the Town or the Town's agent in the Town's name	<u>\$ 303,202</u>	<u>\$ 303,202</u>	<u>\$ 298,297</u>

6 Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered These receivables and payables are classified as due from other funds or due to other funds on the balance sheet

7 Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible

The Town utilizes the allowance method for proprietary funds to recognize doubtful accounts The allowance for doubtful accounts at September 30, 2011 was \$-0-

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for electricity, water and sewer user fees in the Enterprise Funds The Town's ability to collect the amounts due from the users of the Town electricity, water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

8 Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Property and plant	15-50 years
Equipment	5-15 years
Transportation equipment	3-5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

9 Statement of Cash Flows

For the purpose of the statement of cash flows for the enterprise fund, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

10 Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At September 30, 2011 the municipality's liability for compensated absences was \$2,358.

11 Long - Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

12 Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c Unassigned/unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

13 Sales Taxes

2 ½ % Sales Tax

Proceeds of a 2 ½% sales and use tax levied by the Town of Vinton, LA are dedicated to the following purposes:

- 1 Proceeds from 1%, being collected since April 1, 1975, is not dedicated for any special purpose and may be utilized for any lawful purpose.
- 2 Proceeds from 1%, being collected since July 1, 1979, is to provide additional funds for the purposes of constructing and acquiring additions, extensions, and improvements to the sewerage collection, disposal and treatment plant system and other capital improvements, paying indebtedness incurred for said purposes or for any other lawful corporate purpose.
- 3 Proceeds from the ½% tax being collected since January 1, 1997, is for the following purposes: 75% for the maintenance and overlay of the hard surfaced streets, 25% for the fire department capital outlay and for the payment of insurance and utilities incurred relative to the operation of the fire stations.

14 Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF VINTON, LA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

15 Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole, program revenues reduce the cost of the function to be financed from the Town's general revenues

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31 The taxes are generally collected in December, January and February of the fiscal year Sales taxes are considered as "measurable" when in the hands of sales tax collector and are recognized as revenue at that time Interest on interest-bearing deposits is recorded or accrued as revenues when earned Substantially all other revenues are recorded when received

Expenditures

The Town primary expenditures include salaries and insurance, which are recorded when the liability is incurred Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Town

16 Subsequent Events

Management has evaluated subsequent events through March 13, 2012, the date the financial statements were available to be issued

NOTE B - PROPERTY TAXES

For the year ended September 30, 2011 taxes of 6.110 mills were levied on property with assessed valuations totaling \$6,507,610 and were dedicated as follows

General corporate purposes	6.110 mills
----------------------------	-------------

Total taxes levied were \$51,982

NOTE C - RECEIVABLES

The following is a summary of receivables for September 30, 2011

	General Fund	Proprietary Funds
Charges for services	<u>\$ 29,227</u>	<u>\$ 462,881</u>

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE D – CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2011 follows

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities				
Land	\$ 195,598	\$ -	\$ -	\$ 195,598
Buildings	2,143,429	-	-	2,143,429
Furniture and Equipment	1,209,893	43,564	-	1,253,457
Transportation Equipment	918,860	25,177	94,353	849,684
Infrastructure	5,833,926	1,526,922	-	7,360,848
Construction In Progress	<u>824,817</u>	<u>1,156,544</u>	<u>1,526,922</u>	<u>454,439</u>
Totals at historical cost	11,126,523	2,752,207	1,621,275	12,257,455
Less accumulated depreciation for				
Buildings	605,447	35,237	-	650,684
Furniture and Equipment	828,527	108,817	-	937,344
Transportation Equipment	706,461	80,368	94,353	692,476
Infrastructure	<u>962,701</u>	<u>187,349</u>	<u>-</u>	<u>1,150,050</u>
Total accumulated depreciation	<u>3,103,136</u>	<u>411,771</u>	<u>94,353</u>	<u>3,420,554</u>
Governmental activities capital Assets, Net	<u>\$ 8,023,387</u>	<u>\$ 2,340,436</u>	<u>\$ 1,526,922</u>	<u>\$ 8,836,901</u>
Business Type Activities				
Land	\$ 328,950	\$ -	\$ -	\$ 328,950
Buildings and plant	7,866,171	-	-	7,866,171
Furniture and equipment	177,747	-	-	177,747
Transportation equipment	<u>657,721</u>	<u>-</u>	<u>-</u>	<u>657,721</u>
Totals at historical cost	9,030,589	-	-	9,030,589
Less accumulated depreciation for				
Buildings and plant	3,917,103	146,194	-	4,063,297
Furniture and equipment	109,931	2,842	-	112,773
Transportation equipment	<u>309,238</u>	<u>73,313</u>	<u>-</u>	<u>382,551</u>
Total accumulated depreciation	<u>4,336,272</u>	<u>222,349</u>	<u>-</u>	<u>4,558,621</u>
Business-type activities capital assets, net	<u>\$ 4,694,317</u>	<u>\$ (222,349)</u>	<u>\$ -</u>	<u>\$ 4,471,968</u>

Depreciation expense was charged to governmental activities as follows

General and administrative	\$ 55,491
Streets and park	219,331
Fire	72,369
Police	<u>64,580</u>
Total	<u>\$ 411,771</u>

TOWN OF VINTON, LA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2011

Note D – Capital Assets- Continued

The construction in progress consists of the following projects

	<u>Estimated Completion Date</u>	<u>Total Budgeted</u>	<u>Construction In Progress</u>
Loree Street & bridge project, \$1,588,500 funded by grants	December 2012	\$ 1,765,000	\$ 454,439

Note E - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2011

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds payable					
General Obligation	\$ 1,230,264	\$ -	\$ 110,473	\$ 1,119,791	\$ 113,039

The payments on the bonds payable are made by the debt service fund

Long-term liabilities at September 30, 2011 are comprised of the following individual issues

General Obligation Bonds

\$870,000 Public improvement bonds dated May 26, 2007
 due in monthly installments of \$6,124 -through
 May 15, 2024, interest at 5.37%

\$ 666,991

\$602,800 Certificate of Indebtedness dated November 2009,
 due in annual installments of \$75,000, noninterest bearing,
 maturity at November 15, 2018

452,800

\$ 1,119,791

The annual requirements to amortize all bonds are as follows

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 113,039	\$ 34,961
2013	115,264	32,736
2014	116,940	31,060
2015	119,281	28,719
2016	119,680	26,315
2017-2021	419,543	97,362
2022-2024	116,054	5,803
	<u>\$ 1,119,791</u>	<u>\$ 256,756</u>

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE F - PENSION PLAN

Substantially all employees of the Town of Vinton, LA are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A Municipal Employees Retirement System of Louisiana (System)

Plan Description The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipality funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 16.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System under Plan A for the year ending September 30, 2011 was \$94,976.

B Municipal Police Employees Retirement System of Louisiana (System)

Plan Description All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE F - PENSION PLAN – Continued

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 708092250, or by calling (225) 929-7411.

Funding Policy Plan members are required by state statute to contribute 10% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 26.5% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the year ending September 30, 2011 was \$68,346.

NOTE G- RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The municipality maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the municipality. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE H- POWER SALES CONTRACT

The Town is obligated to purchase from Vinton Public Power Authority, a related entity, all power and energy required for the operation of the municipality's electric system on a "take or pay" basis. This contract expires on June 21, 2021 or when the debt of Vinton Public Power Authority is paid off, whichever occurs first.

NOTE I- CONTINGENCIES

The Town participates in a number of federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the Town believes that any disallowed costs as a result of such audits will be immaterial.

On June 21, 2011 the Council approved purchase of a fire rescue truck at a cost of approximately \$200,000, purchase will be in the fiscal year 2012.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE J - COUNCIL MEMBERS COMPENSATION

Each council member receives monthly compensation. The following is a list of council members and their compensation for the fiscal year ended September 30, 2011.

Bliss M Bujard	\$ 3,600
Harold Douga	3,600
William Loyd, Jr	3,600
Kevin Merchant	3,600
Paul Patin	<u>3,600</u>
	<u>\$ 18,000</u>

The compensation paid to the Mayor and the police chief for the year ended September 30, 2011, is as follows:

Kenneth Stinson, Mayor	<u>\$ 35,734</u>
R D Fox, Chief	<u>\$ 41,412</u>

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF VINTON, LA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended September 30, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 104,600	\$ 113,104	\$ 8,504
Licenses and permits	107,500	133,750	26,250
Intergovernmental	530,000	687,881	157,881
Hurricane, net	-	418,228	418,228
Video poker	120,000	139,468	19,468
Fines	700,000	782,616	82,616
Interest	1,000	6,477	5,477
Miscellaneous	46,750	39,598	(7,152)
Total Revenues	1,609,850	2,321,122	711,272
EXPENDITURES			
Current			
General and administrative	643,381	577,906	65,475
Streets and alley	390,957	330,276	60,681
Fire	187,252	130,337	56,915
Police	842,833	771,441	71,392
Capital outlay	50,000	67,707	(17,707)
Debt service			
Principal	75,000	75,000	-
Interest	-	-	-
Total Expenditures	2,189,423	1,952,667	236,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(579,573)	368,455	948,028
OTHER FINANCING SOURCES (USES)			
Operating transfers in	630,562	529,104	(101,458)
Operating transfers out	-	-	-
Total other financing sources (uses)	630,562	529,104	(101,458)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	50,989	897,559	846,570
FUND BALANCE - BEGINNING	847,152	847,152	-
FUND BALANCE - ENDING	\$ 898,141	\$ 1,744,711	\$ 846,570

TOWN OF VINTON, LA
 BUDGETARY COMPARISON SCHEDULE - SALES TAX FUND
 Year Ended September 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Sales taxes	\$ 812,500	\$ 798,553	\$ (13,947)
Intergovernmental - grant	-	575,961	575,961
Interest	2,000	4,403	2,403
Total Revenues	<u>814,500</u>	<u>1,378,917</u>	<u>564,417</u>
EXPENDITURES			
Current			
General and administrative	21,500	18,391	3,109
Capital outlay	-	577,210	(577,210)
Debt service			
Interest	37,527	37,527	-
Principal	35,473	35,473	-
Total Expenditures	<u>94,500</u>	<u>668,601</u>	<u>(574,101)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	720,000	710,316	(9,684)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(552,437)	(463,865)	88,572
Total other financing sources (uses)	<u>(552,437)</u>	<u>(463,865)</u>	<u>88,572</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	167,563	246,451	78,888
FUND BALANCE - BEGINNING	<u>869,331</u>	<u>869,331</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,036,894</u>	<u>\$ 1,115,782</u>	<u>\$ 78,888</u>

TOWN OF VINTON, LA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended September 30, 2011

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Disburse- ments/ Expenses</u>
U.S. Department of Environmental Protection Agency Pass-Through the State of Louisiana Department of Environmental Quality	66 458	-	\$ 575,961
U S Department of Transportation Pass-Through the State of Louisiana Department of Transportation	20 932	-	<u>19,461</u>
			<u>\$ 595,422</u>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Town of Vinton, LA under programs of the federal government for the year ended September 30, 2011. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the Town of Vinton, LA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Vinton, LA. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON C.P.A.
RICHARD W. CASIDAY C.P.A.
RAYMOND GUILLORY JR. C.P.A.
GRAHAM A. PORTUS E.A.
COY T. VINCENT C.P.A.
MICHELLE LEE C.P.A.
BRADLEY J. CASIDAY C.P.A. C.V.A.
JULIA W. PORTUS C.P.A.
KATHRYN BLESSINGTON C.P.A.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March 13, 2012

The Honorable Kenneth Stinson, Mayor
and the Town Council
Town of Vinton, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of and for the year ended September 30, 2011, and have issued our report thereon dated March 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Vinton, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Vinton, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Vinton, Louisiana's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Town of Vinton, LA
March 13, 2012
Page two

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Town of Vinton, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Town Council and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Gragson, Casiday & Guillory



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W GEORGE GRAGSON C P A
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COY T VINCENT C P A
MICHELLE LEE C P A
BRADLEY J CASIDAY C P A C V A
JULIA W PORTUS C P A
KATHRYN BLESSINGTON C P A

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Kenneth Stinson, Mayor
and The Town Council
Town of Vinton, Louisiana

March 13, 2012

Compliance

We have audited the compliance of Town of Vinton, LA with the types of compliance requirements described in the "U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. Town of Vinton, LA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Town of Vinton, LA's management. Our responsibility is to express an opinion on Town of Vinton, LA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Vinton, LA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Town of Vinton, LA's compliance with those requirements.

In our opinion, Town of Vinton, LA complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

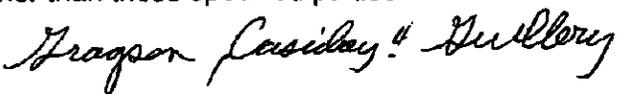
Internal Control Over Compliance

The management of Town of Vinton, LA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Town of Vinton, LA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Vinton, LA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



TOWN OF VINTON, LA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2011

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued unqualified

Internal control over financial reporting

- Material weaknesses(es) identified? ___ yes X no
- Control deficiency(s) identified that are
 not considered to be material weakness(es)? ___ yes X none reported

Noncompliance material to financial
 statements noted?

___ yes X no

Federal Awards

Internal control over major programs

- Material weakness(es) identified? ___ yes X no
- Control deficiency(s) identified
 that are not considered to be material
 weakness(es)? ___ yes X none reported

Type of auditors' report issued on compliance for major programs unqualified

Any audit findings disclosed that are required
 to be reported in accordance with section 510(a)
 of Circular A-133?

___ yes X no

Identification of major programs

CFDA Number
 66 458

Name of Federal Program
 Capitalization Grants For Clean Water,
 State Revolving Funds

Dollar threshold used to distinguish
 between type A and type B programs

\$300,000

Auditee qualified as low-risk auditee?

___ yes X no

Continued

TOWN OF VINTON, LA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
Year Ended September 30, 2011

II – Financial Statement Findings

- None

III – Federal Award Findings and Questioned Costs

- None

IV – Prior Year Audit Findings

- None